

Technology Working For You: Checks Delivered Quickly And Safely



One way to be sure benefit checks from the government wind up in your bank account is by having the government send those payments straight to the bank.

Whether you get Social Security income, Veteran's or retirement benefits, Direct Deposit can be a blessing.

Direct Deposit means the check is deposited straight into your bank account — you typically get mailed a record of the check, the amount and when it was deposited. The money is available on the morning of the scheduled payment date.

Since the introduction of Direct Deposit in the 1970s, the federal agencies have encouraged benefit recipients to use it as a safe, convenient way to receive their payments. According to the Financial Management Service, a bureau of the U.S. Treasury Department, over 68 percent of recipients are now taking advantage of Direct Deposit, including seven out of ten Social Security beneficiaries.

The Treasury Department recently issued guidelines under the Debt Collection Improvement of 1996 requiring that most federal payments be made electronically after Jan. 1, 1999. The regulation provides that recipients are not required to sign up for Direct Deposit if it would cause a hardship.

While the Treasury's goal is to ultimately get most beneficiaries to use Direct Deposit, no one will be forced to change and no payments will be withheld or delayed because of the implementation of this law, Treasury officials said. The Treasury Department is also working to develop a special low-cost account that will be offered through federally insured financial institutions for electronic receipt of federal payments.

Statistics show that recipients are 20 times more likely to have a problem with a paper check than with a Direct Deposit transaction.

Each year, the Treasury replaces more than 800,000 checks that are lost, stolen or damaged during delivery.

The government annually deals with \$60 million in forged checks, \$1.8 million in counterfeit and \$3.3 million in altered checks. Forgeries, counterfeiting and check alteration do not occur with a Direct Deposit transaction.

The U.S. Treasury Department named the week of Oct. 12 as "National Direct Deposit Week," as part of its ongoing campaign to promote the use of Direct Deposit for federal benefits.

For more information about Direct Deposit, you can contact your regional paying agency or financial institution, or visit the Web site at www.fms.treas.gov/eft.

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